

PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 2021) TO AMEND THE CLEAN AIR ACT REGARDING AIR POLLUTION FROM OUTER CONTINENTAL SHELF ACTIVITIES, AND PROVIDING FOR CONSIDERATION OF THE BILL (H.R. 1249) TO AMEND TITLE 35, UNITED STATES CODE, TO PROVIDE FOR PATENT REFORM

JUNE 21, 2011.—Referred to the House Calendar and ordered to be printed

Mr. NUGENT, from the Committee on Rules,
submitted the following

R E P O R T

[To accompany H. Res. 316]

The Committee on Rules, having had under consideration House Resolution 316, by a vote of 7 to 2, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for consideration of H.R. 2021, the Jobs and Energy Permitting Act of 2011, under a structured rule. The resolution provides one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on Energy and Commerce. The resolution waives all points of order against consideration of H.R. 2021. The resolution provides that H.R. 2021 shall be considered as read. The resolution waives all points of order against provisions in H.R. 2021. The resolution makes in order only those amendments to H.R. 2021 printed in Part A of this report. Each such amendment may be offered only in the order printed in this report, may be offered only by a Member designated in this report, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in Part A of this report are waived. The resolution provides one motion to recommit H.R. 2021 with or without instructions.

Section 2 of the resolution provides for consideration of H.R. 1249, the America Invents Act under a structured rule. The resolution provides for 20 minutes of initial debate confined to the question of constitutionality of the bill equally divided and controlled by

Representative Smith (R-TX) and Representative Kaptur (D-OH) or their designees. The resolution further provides for one hour of general debate equally divided and controlled by the chair and ranking minority member of the Committee on the Judiciary. The resolution waives all points of order against consideration of H.R. 1249. The resolution provides that the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill shall be considered as an original bill for purpose of amendment and provides that the amendment shall be considered as read. The resolution waives all points of order against the committee amendment in the nature of a substitute. The resolution makes in order only those amendments to H.R. 1249 printed in Part B of this report. Each such amendment may be offered only in the order printed in this report, may be offered only by a Member designated, shall be considered as read, shall be debatable for the time specified in this report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in Part B of this report are waived. The resolution provides for one motion to recommit H.R. 1249 with or without instructions.

Finally, Section 3 of the resolution provides that upon receipt of a message from the Senate transmitting H.R. 1249 with a Senate amendment or amendments thereto, it shall be in order to consider in the House a single motion offered by the chair of the Committee on the Judiciary or his designee that the House disagree to the Senate amendment or amendments and request or agree to a conference with the Senate thereon. All points of order against the motion are waived. The motion shall be debatable for one hour equally divided and controlled by the chair and ranking minority member of the Committee on the Judiciary.

EXPLANATION OF WAIVERS

Although the resolution waives all points of order against consideration of H.R. 2021, the Committee is not aware of any points of order against its consideration. The waiver of all points of order is prophylactic.

Although the resolution waives all points of order against provisions in H.R. 2021, the Committee is not aware of any points of order against provisions in the bill and therefore the waiver is prophylactic in nature.

Although the resolution waives all points of order against the amendments to H.R. 2021 printed in Part A of this report, the Committee is not aware of any points of order against the amendments and therefore it is prophylactic in nature.

Although the rule waives all points of order against consideration of H.R. 1249, the Committee is not aware of any points of order. The waiver is prophylactic.

The rule waives all points of order against the committee amendment in the nature of a substitute. This includes a waiver of Clause 4 of Rule XXI, which prohibits reporting a bill or joint resolution carrying an appropriation from a committee not having jurisdiction to report an appropriation. The waiver of all points of order against the committee amendment in the nature of a substitute

also includes a waiver of Clause 5 of Rule XXI, which prohibits a bill carrying a tax provision from being reported by a committee that does not have jurisdiction to report tax measures.

The rule waives all points of order against the amendments to H.R. 1249 printed in Part B of this report. The waiver of all points of order against amendments in this report includes a waiver of clause 10 of Rule XXI (CUTGO) with respect to amendment #1 to be offered by the Chairman of the Committee on the Judiciary, Rep. Smith (R-TX). The waiver is necessary because the Judiciary Committee included language in the reported bill in violation of clause 4 of Rule XXI, which prohibits a committee not having jurisdiction to report appropriations from reporting an appropriation. While the manager's amendment remedies this violation of clause 4, in doing so, it violates clause 10 of Rule XXI because the amendment would have the net effect of increasing mandatory spending by eliminating the savings achieved in the reported version of the bill. However, it is important to note that the manager's amendment is reclassifying PTO funding as discretionary, which is consistent with current law and would not impact direct spending or the deficit when compared to the Congressional Budget Office's spending baseline.

COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

Rules Committee record vote No. 103

Motion by Ms. Slaughter to report open rules for H.R. 2021 and H.R. 1249. Defeated: 2–7.

Majority Members	Vote	Minority Members	Vote
Ms. Foxx	Nay	Ms. Slaughter	Yea
Mr. Bishop of Utah	Nay	Mr. Hastings of Florida	Yea
Mr. Woodall	Nay		
Mr. Nugent	Nay		
Mr. Scott of South Carolina	Nay		
Mr. Webster	Nay		
Mr. Dreier, Chairman	Nay		

Rules Committee record vote No. 104

Motion by Ms. Slaughter to amend the rule for H.R. 1249 to not include a waiver of clause 10 of Rule XXI. Defeated: 2–7.

Majority Members	Vote	Minority Members	Vote
Ms. Foxx	Nay	Ms. Slaughter	Yea
Mr. Bishop of Utah	Nay	Mr. Hastings of Florida	Yea
Mr. Woodall	Nay		
Mr. Nugent	Nay		
Mr. Scott of South Carolina	Nay		
Mr. Webster	Nay		
Mr. Dreier, Chairman	Nay		

Rules Committee record vote No. 105

Motion by Mr. Bishop of Utah to report the rule. Adopted: 7–2.

Majority Members	Vote	Minority Members	Vote
Ms. Foxx	Yea	Ms. Slaughter	Nay
Mr. Bishop of Utah	Yea	Mr. Hastings of Florida	Nay
Mr. Woodall	Yea		
Mr. Nugent	Yea		
Mr. Scott of South Carolina	Yea		
Mr. Webster	Yea		
Mr. Dreier, Chairman	Yea		

SUMMARY OF AMENDMENTS IN PART A MADE IN ORDER

1. Speier (CA): Would strike section 2 of H.R. 2021. (10 minutes)
2. Hastings, Alcee (FL): Would direct emission sources from the Outer Continental Shelf (OCS) to title I of the Clean Air Act, ensuring that the vessels often responsible for the majority of the OCS's emission sources are not left unregulated. (10 minutes)
3. Welch (VT): Would require all permit applications to include data on federal oil subsidies received by the company applying for the permit. (10 minutes)
4. Keating (MA): Would require that all completed applications include data on bonuses provided to the executives of the applicant from the most recent quarter. (10 minutes)
5. Rush (IL): Would allow the Administrator to provide additional 30-day extensions if the Administrator determines that such time is necessary to meet the requirements of this section, to provide adequate time for public participation, or to ensure sufficient involvement by one or more affected States. (10 minutes)
6. Quigley (IL): Would strike underlying text that eliminates the ability of the Environmental Appeals Board (EAB) to remand or deny the issuance of Clean Air Act permits for offshore energy exploration and extraction. (10 minutes)
7. Eshoo (CA): Would preserve access to local courts by striking a provision which requires permit decisions to be litigated in the DC Circuit in Washington D.C. (10 minutes)
8. Capps (CA), Carney (DE), Castor (FL): Would seek to preserve state authority over OCS sources where states have been delegated authority to issue air permits for offshore drilling activities. (10 minutes)
9. Hochul (NY): Would require a report that details how the amendments made by this Act are projected to increase oil and gas production and lower energy prices for consumers. (10 minutes)
10. Schrader (OR), DeFazio (OR), Wu (OR): Would prohibit any permits issued under the Clean Air Act for oil or natural gas drilling on the Outer Continental Shelf (OCS) off the coast of Oregon (10 minutes)

SUMMARY OF AMENDMENTS IN PART B MADE IN ORDER

1. Smith, Lamar (TX): Manager's Amendment: Would make technical edits and a few necessary changes to more substantive issues, such as prior user rights and an additional oversight requirement for the PTO. (10 minutes)
2. Conyers (MI), Rohrabacher (CA): Would insert language to move the United States to a first to file system only upon a Presidential finding that other major patent authorities have adopted a similar one-year grace period. (10 minutes)

3. Baldwin (WI), Sensenbrenner (WI), Kind (WI): Would strike Section 5, the “prior user rights” language, and conform H.R. 1249 to H.R. 1908, as passed by the U.S. House of Representatives on September 7, 2007, and S. 23, as passed by the U.S. Senate on March 8, 2011. (10 minutes)

4. Moore, Gwen (WI): Would direct the USPTO to develop methods for studying the diversity of patent applicants, including those applicants who are minorities, women, or veterans. Any results of the study shall not be used for preferential treatment in the patent process. (10 minutes)

5. Jackson Lee (TX): Would add a sense of Congress that it is important to protect the rights of small businesses and inventors from predatory behavior that could result in cutting off innovation and may provide an undue advantage to large financial institutions and high-tech firms. (10 minutes)

6. Luján (NM): Would add requirements to the satellite office location selection process to ensure that (1) the purposes, as described in the bill, of establishing satellite offices are achieved, (2) recruitment costs are minimized by considering the availability of knowledgeable personnel in the region, and (3) the economic impact to the region is considered. It would also require that the Director in the required report to Congress on the rationale in selecting the location of any satellite office include an explanation of how the selected location will achieve the purposes of satellite offices and how the required considerations were met. (10 minutes)

7. Peters (MI), Renacci (OH): Would mandate a USPTO-led study on what USPTO, SBA, and other agencies can do to help small businesses obtain, maintain, and enforce foreign patents. This study is to be conducted using existing resources. (10 minutes)

8. Polis (CO): Would clarify that the new legislation would apply only to new tax planning patents, not already filed patents which would disclose patent information leaving the applicants vulnerable. (10 minutes)

9. Conyers (MI), Markey (MA), Neal (MA), Pompeo (KS), Garrett (NJ), Lance (NJ), Gallegly (CA): Would restore language for calculation of 60-day period for application of patent term extension that the managers amendment strikes. (10 minutes)

10. Speier (CA): Would direct the PTO to prescribe a requirement that parties provide sufficient evidence to prove and rebut a claim of derivation. (10 minutes)

11. Waters (CA): Would add a severability clause protecting the remainder of the bill if the Supreme Court determines that certain sections or provisions are unconstitutional. (10 minutes)

12. Sensenbrenner (WI): Would strike Section 3 of the legislation, which would convert the U.S. patent system from “first-to-invent” to “first-to-file.” (10 minutes)

13. Manzullo (IL): Would eliminate the ability of the Director of the U.S. Patent and Trademark Office (USPTO) to set fees, retaining that authority for Congress. (10 minutes)

14. Rohrabacher (CA), Kaptur (OH): Would eliminate the burden of post-grant reviews and reexaminations on individual inventors and small businesses with 100 or fewer employees. (10 minutes)

15. Schock (IL), Boren (OK), Waters (CA), Sensenbrenner (WI), Franks (AZ), Kaptur (OH): Would strike section 18 of H.R. 1249,

the Transitional program for covered business method patents. (10 minutes)

PART A—TEXT OF AMENDMENTS MADE IN ORDER TO H.R. 2021

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SPEIER OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike section 2 (and redesignate the subsequent sections accordingly).

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2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HASTINGS OF FLORIDA OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 3, line 19, strike “but shall not be subject” and insert “and shall be subject”.

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3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WELCH OF VERMONT OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 4, after line 9, insert the following (and redesignate the subsequent paragraphs accordingly):

“(1) such completed application shall include data on oil subsidies provided by the Federal Government to the applicant;

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4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE KEATING OF MASSACHUSETTS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 4, after line 9, insert the following (and redesignate the subsequent paragraphs accordingly):

“(1) such completed application shall include data on bonuses provided to the executives of the applicant from the most recent quarter;

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5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE RUSH OF ILLINOIS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 4, line 13, insert before the semicolon “, except that the Administrator may provide additional 30-day extensions if the Administrator determines that such time is necessary to meet the requirements of this section, to provide adequate time for public participation, or to ensure sufficient involvement by one or more affected States”.

Page 4, beginning at line 18, strike paragraph (3) and insert the following:

“(3) no administrative stay of the effectiveness of such permit may extend beyond the deadline for final agency action under paragraph (1);

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6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE QUIGLEY OF ILLINOIS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 4, beginning on line 14, strike paragraph (2) and redesignate the subsequent paragraphs accordingly.

7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ESHOO OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 4, line 21, insert “and” after the semicolon.

Page 4, beginning on line 22, strike paragraph (4) and redesignate the subsequent paragraph accordingly.

Page 5, line 2, strike “such”.

8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CAPPES OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 5, line 8, strike “subsections (a), (b), and (d)” and insert “subsections (a), (b), (d), and (e)”.

Page 5, after line 8, add the following new section:

SEC. 5. STATE AUTHORITY.

Section 328 of the Clean Air Act (42 U.S.C. 7627) is further amended by adding at the end the following:

“(e) STATE AUTHORITY.—Any State with delegated authority to implement and enforce this section may impose any standard, limitation, or requirement relating to emissions of air pollutants from an OCS source if such standard, limitation, or requirement is no less stringent than the standards, limitations, or requirements established by the Administrator pursuant to this section.”.

9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE HOCHUL OF NEW YORK OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 5, after line 8, add the following new subsection:

(c) REPORTING.—Not later than 60 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency shall submit to Congress a report that details how the amendments made by this Act are projected to increase oil and gas production and lower energy prices for consumers.

10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SCHRAEDER OF OREGON OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

At the end of the bill, insert the following:

SEC. 5. PROHIBITION AGAINST DRILLING OFF THE COAST OF OREGON.

No permit may be issued under the Clean Air Act (42 U.S.C. 7401 et seq.) for an Outer Continental Shelf source (as defined in section 328(a)(4) of such Act (42 U.S.C. 7627(a)(4))) in connection with drilling for oil or natural gas off the coast of Oregon.

PART B—TEXT OF AMENDMENTS MADE IN ORDER TO H.R. 1249

1. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SMITH OF TEXAS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 3, line 5, strike “America Invents Act” and insert “Leahy-Smith America Invents Act”.

Page 4, lines 10 and 22, strike “5(a)(1)” and insert “5(a)”.

Page 16, line 1, insert after the period the following: “In appropriate circumstances, the Patent Trial and Appeal Board may cor-

rect the naming of the inventor in any application or patent at issue.”.

Page 25, strike line 13 and all that follows through page 27, line 2, and redesignate the succeeding subsections accordingly.

Page 27, line 4, strike “registration”.

Page 27, line 5, strike “inventor to use” and insert “to invent”.

Page 27, line 6, insert “and the useful arts” after “science”.

Page 27, line 9, strike “granted by the” and insert “provided by the grant of”.

Page 27, line 12, strike “registration”.

Page 27, line 13, strike “inventor to use” and insert “to invent”.

Page 27, lines 14 and 15, strike “harmonize the United States patent registration system with the patent registration systems” and insert “improve the United States patent system and promote harmonization of the United States patent system with the patent systems”.

Page 27, line 18, strike “a greater sense of” and insert “greater”.

Page 36, strike line 10 and all that follows through page 40, line 5, and insert the following (and conform the table of contents) accordingly:

SEC. 5. DEFENSE TO INFRINGEMENT BASED ON PRIOR COMMERCIAL USE.

(a) IN GENERAL.—Section 273 of title 35, United States Code, is amended to read as follows:

“§ 273. Defense to infringement based on prior commercial use

“(a) IN GENERAL.—A person shall be entitled to a defense under section 282(b) with respect to subject matter consisting of a process, or consisting of a machine, manufacture, or composition of matter used in a manufacturing or other commercial process, that would otherwise infringe a claimed invention being asserted against the person if—

“(1) such person, acting in good faith, commercially used the subject matter in the United States, either in connection with an internal commercial use or an actual arm’s length sale or other arm’s length commercial transfer of a useful end result of such commercial use; and

“(2) such commercial use occurred at least 1 year before the earlier of either—

“(A) the effective filing date of the claimed invention; or

“(B) the date on which the claimed invention was disclosed to the public in a manner that qualified for the exception from prior art under section 102(b).

“(b) BURDEN OF PROOF.—A person asserting a defense under this section shall have the burden of establishing the defense by clear and convincing evidence.

“(c) ADDITIONAL COMMERCIAL USES.—

“(1) PREMARKETING REGULATORY REVIEW.—Subject matter for which commercial marketing or use is subject to a premarketing regulatory review period during which the safety or efficacy of the subject matter is established, including any period specified in section 156(g), shall be deemed to be commercially used for purposes of subsection (a)(1) during such regulatory review period.

“(2) NONPROFIT LABORATORY USE.—A use of subject matter by a nonprofit research laboratory or other nonprofit entity, such as a university or hospital, for which the public is the intended beneficiary, shall be deemed to be a commercial use for purposes of subsection (a)(1), except that a defense under this section may be asserted pursuant to this paragraph only for continued and noncommercial use by and in the laboratory or other nonprofit entity.

“(d) EXHAUSTION OF RIGHTS.—Notwithstanding subsection (e)(1), the sale or other disposition of a useful end result by a person entitled to assert a defense under this section in connection with a patent with respect to that useful end result shall exhaust the patent owner’s rights under the patent to the extent that such rights would have been exhausted had such sale or other disposition been made by the patent owner.

“(e) LIMITATIONS AND EXCEPTIONS.—

“(1) PERSONAL DEFENSE.—

“(A) IN GENERAL.—A defense under this section may be asserted only by the person who performed or directed the performance of the commercial use described in subsection (a), or by an entity that controls, is controlled by, or is under common control with such person.

“(B) TRANSFER OF RIGHT.—Except for any transfer to the patent owner, the right to assert a defense under this section shall not be licensed or assigned or transferred to another person except as an ancillary and subordinate part of a good-faith assignment or transfer for other reasons of the entire enterprise or line of business to which the defense relates.

“(C) RESTRICTION ON SITES.—A defense under this section, when acquired by a person as part of an assignment or transfer described in subparagraph (B), may only be asserted for uses at sites where the subject matter that would otherwise infringe a claimed invention is in use before the later of the effective filing date of the claimed invention or the date of the assignment or transfer of such enterprise or line of business.

“(2) DERIVATION.—A person may not assert a defense under this section if the subject matter on which the defense is based was derived from the patentee or persons in privity with the patentee.

“(3) NOT A GENERAL LICENSE.—The defense asserted by a person under this section is not a general license under all claims of the patent at issue, but extends only to the specific subject matter for which it has been established that a commercial use that qualifies under this section occurred, except that the defense shall also extend to variations in the quantity or volume of use of the claimed subject matter, and to improvements in the claimed subject matter that do not infringe additional specifically claimed subject matter of the patent.

“(4) ABANDONMENT OF USE.—A person who has abandoned commercial use (that qualifies under this section) of subject matter may not rely on activities performed before the date of such abandonment in establishing a defense under this section

with respect to actions taken on or after the date of such abandonment.

“(5) UNIVERSITY EXCEPTION.—

“(A) IN GENERAL.—A person commercially using subject matter to which subsection (a) applies may not assert a defense under this section if the claimed invention with respect to which the defense is asserted was, at the time the invention was made, owned or subject to an obligation of assignment to either an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)), or a technology transfer organization whose primary purpose is to facilitate the commercialization of technologies developed by one or more such institutions of higher education.

“(B) EXCEPTION.—Subparagraph (A) shall not apply if any of the activities required to reduce to practice the subject matter of the claimed invention could not have been undertaken using funds provided by the Federal Government.

“(f) UNREASONABLE ASSERTION OF DEFENSE.—If the defense under this section is pleaded by a person who is found to infringe the patent and who subsequently fails to demonstrate a reasonable basis for asserting the defense, the court shall find the case exceptional for the purpose of awarding attorney fees under section 285.

“(g) INVALIDITY.—A patent shall not be deemed to be invalid under section 102 or 103 solely because a defense is raised or established under this section.”.

(b) CONFORMING AMENDMENT.—The item relating to section 273 in the table of sections for chapter 28 of title 35, United States Code, is amended to read as follows:

“273. Defense to infringement based on prior commercial use.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any patent issued on or after the date of the enactment of this Act.

Page 41, line 5, strike “1 year” and insert “9 months”.

Page 42, line 22, strike “commence” and insert “be instituted”.

Page 43, line 24, and page 44, line 1, strike “petitioner, real party in interest, or privy of the petitioner” and insert “petitioner or real party in interest”.

Page 44, lines 3 and 4, strike “petitioner, real party in interest, or privy of the petitioner” and insert “petitioner or real party in interest”.

Page 44, lines 13 and 14, strike “petitioner, real party in interest, or privy of the petitioner” and insert “petitioner or real party in interest”.

Page 44, lines 16 and 17, strike “petitioner, real party in interest, or privy of the petitioner” and insert “petitioner or real party in interest”.

Page 52, line 10, strike “AMENDED OR NEW CLAIM” and insert “INTERVENING RIGHTS”.

Page 54, insert the following after line 10:

(3) TRANSITION.—

(A) IN GENERAL.—Chapter 31 of title 35, United States Code, is amended—

(i) in section 312—

(I) in subsection (a)—

(aa) in the first sentence, by striking “a substantial new question of patentability affecting any claim of the patent concerned is raised by the request,” and inserting “the information presented in the request shows that there is a reasonable likelihood that the requester would prevail with respect to at least 1 of the claims challenged in the request,”; and

(bb) in the second sentence, by striking “The existence of a substantial new question of patentability” and inserting “A showing that there is a reasonable likelihood that the requester would prevail with respect to at least 1 of the claims challenged in the request”; and

(II) in subsection (c), in the second sentence, by striking “no substantial new question of patentability has been raised,” and inserting “the showing required by subsection (a) has not been made,”; and

(ii) in section 313, by striking “a substantial new question of patentability affecting a claim of the patent is raised” and inserting “it has been shown that there is a reasonable likelihood that the requester would prevail with respect to at least 1 of the claims challenged in the request”.

(B) APPLICATION.—The amendments made by this paragraph—

(i) shall take effect on the date of the enactment of this Act; and

(ii) shall apply to requests for inter partes reexamination that are filed on or after such date of enactment, but before the effective date set forth in paragraph (2)(A) of this subsection.

(C) CONTINUED APPLICABILITY OF PRIOR PROVISIONS.—

The provisions of chapter 31 of title 35, United States Code, as amended by this paragraph, shall continue to apply to requests for inter partes reexamination that are filed before the effective date set forth in paragraph (2)(A) as if subsection (a) had not been enacted.

Page 54, line 17, strike “patent owner” and insert “owner of a patent”.

Page 54, line 18, strike “of a” and insert “of the”.

Page 55, line 10, strike “1 year” and insert “9 months”.

Page 57, line 3, strike “commence” and insert “be instituted”.

Page 57, line 25, strike “The” and all that follows through “public.” on page 58, line 1.

Page 58, lines 11 and 12, strike “petitioner, real party in interest, or privy of the petitioner” and insert “petitioner or real party in interest”.

Page 58, lines 15 and 16, strike “petitioner, real party in interest, or privy of the petitioner” and insert “petitioner or real party in interest”.

Page 58, line 25 and page 59, line 1, strike “petitioner, real party in interest, or privy of the petitioner” and insert “petitioner or real party in interest”.

Page 59, lines 3 and 4, strike “petitioner, real party in interest, or privy of the petitioner” and insert “petitioner or real party in interest”.

Page 63, line 15, strike “and”.

Page 63, line 23, strike the period and insert “; and”.

Page 63, insert the following after line 23:

“(12) providing the petitioner with at least 1 opportunity to file written comments within a time period established by the Director.”.

Page 66, line 24, strike “AMENDED OR NEW CLAIM” and insert “INTERVENING RIGHTS”.

Page 68, line 10, strike “to any patent that is” and insert “only to patents”.

Page 78, insert the following after line 1 and redesignate the succeeding subsection accordingly:

(d) CONFORMING AMENDMENTS.—

(1) ATOMIC ENERGY ACT OF 1954.—Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) is amended in the third undesignated paragraph—

(A) by striking “Board of Patent Appeals and Interferences” each place it appears and inserting “Patent Trial and Appeal Board”; and

(B) by inserting “and derivation” after “established for interference”.

(2) TITLE 51.—Section 20135 of title 51, United States Code, is amended—

(A) in subsections (e) and (f), by striking “Board of Patent Appeals and Interferences” each place it appears and inserting “Patent Trial and Appeal Board”; and

(B) in subsection (e), by inserting “and derivation” after “established for interference”.

Page 86, lines 11 and 12, strike “examination fee for the application” and insert “applicable fee”.

Page 86, line 15, insert “most recently” after “as”.

Page 86, line 22, strike “examination fee for the application” and insert “applicable fee”.

Page 87, line 1, insert “most recently” after “as”.

Page 87, strike line 18 and all that follows through page 88, line 8, and insert the following:

“(d) INSTITUTIONS OF HIGHER EDUCATION.—For purposes of this section, a micro entity shall include an applicant who certifies that—

“(1) the applicant’s employer, from which the applicant obtains the majority of the applicant’s income, is an institution of higher education as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)); or

“(2) the applicant has assigned, granted, conveyed, or is under an obligation by contract or law, to assign, grant, or con-

vey, a license or other ownership interest in the particular applications to such an institution of higher education.

Page 88, line 9, strike “(2) DIRECTOR’S AUTHORITY.—The Director” and insert “(e) DIRECTOR’S AUTHORITY.—In addition to the limits imposed by this section, the Director”.

Page 88, move the text of lines 9 through 21 2 ems to the left.

Page 88, line 12, strike “subsection” and insert “section”.

Page 88, line 18, strike “paragraph” and insert “subsection”.

Page 89, line 2, strike “a fee” and insert “an additional fee”.

Page 89, line 17, strike “This” and insert “Except as provided in subsection (h), this”.

Page 89, line 22, strike “6-year” and insert “7-year”.

Page 89, add the following after line 23:

(3) PRIOR REGULATIONS NOT AFFECTED.—The termination of authority under this subsection shall not affect any regulations issued under this section before the effective date of such termination or any rulemaking proceeding for the issuance of regulations under this section that is pending on such date.

Page 96, line 15, strike “either” and all that follows through “patent” on line 19 and inserting “by Office personnel”.

Page 98, strike lines 3 through 14.

Page 102, insert the following after line 7 and redesignate the succeeding subsection accordingly:

(i) APPROPRIATION ACCOUNT TRANSITION FEES.—

(1) SURCHARGE.—

(A) IN GENERAL.—There shall be a surcharge of 15 percent, rounded by standard arithmetic rules, on all fees charged or authorized by subsections (a), (b), and (d)(1) of section 41, and section 132(b), of title 35, United States Code. Any surcharge imposed under this subsection is, and shall be construed to be, separate from and in addition to any other surcharge imposed under this Act or any other provision of law.

(B) DEPOSIT OF AMOUNTS.—Amounts collected pursuant to the surcharge imposed under subparagraph (A) shall be credited to the United States Patent and Trademark Appropriation Account, shall remain available until expended, and may be used only for the purposes specified in section 42(c)(3)(A) of title 35, United States Code.

(2) EFFECTIVE DATE AND TERMINATION OF SURCHARGE.—The surcharge provided for in paragraph (1)—

(A) shall take effect on the date that is 10 days after the date of the enactment of this Act; and

(B) shall terminate, with respect to a fee to which paragraph (1)(A) applies, on the effective date of the setting or adjustment of that fee pursuant to the exercise of the authority under section 10 for the first time with respect to that fee.

Page 102, strike lines 1 through 7 and insert the following:

(h) PRIORITIZED EXAMINATION FEE.—

(1) IN GENERAL.—

(A) FEE.—

(i) PRIORITIZED EXAMINATION FEE.—A fee of \$4,800 shall be established for filing a request, pursuant to section 2(b)(2)(G) of title 35, United States Code, for

prioritized examination of a nonprovisional application for an original utility or plant patent.

(ii) **ADDITIONAL FEES.**—In addition to the prioritized examination fee under clause (i), the fees due on an application for which prioritized examination is being sought are the filing, search, and examination fees (including any applicable excess claims and application size fees), processing fee, and publication fee for that application.

(B) REGULATIONS; LIMITATIONS.—

(i) **REGULATIONS.**—The Director may by regulation prescribe conditions for acceptance of a request under subparagraph (A) and a limit on the number of filings for prioritized examination that may be accepted.

(ii) **LIMITATION ON CLAIMS.**— Until regulations are prescribed under clause (i), no application for which prioritized examination is requested may contain or be amended to contain more than 4 independent claims or more than 30 total claims.

(iii) **LIMITATION ON TOTAL NUMBER OF REQUESTS.**— The Director may not accept in any fiscal year more than 10,000 requests for prioritization until regulations are prescribed under this subparagraph setting another limit.

(2) **REDUCTION IN FEES FOR SMALL ENTITIES.**—The Director shall reduce fees for providing prioritized examination of nonprovisional applications for original utility and plant patents by 50 percent for small entities that qualify for reduced fees under section 41(h)(1) of title 35, United States Code.

(3) **DEPOSIT OF FEES.**—All fees paid under this subsection shall be credited to the United States Patent and Trademark Office Appropriation Account, shall remain available until expended, and may be used only for the purposes specified in section 42(c)(3)(A) of title 35, United States Code.

(4) EFFECTIVE DATE AND TERMINATION.—

(A) **EFFECTIVE DATE.**—This subsection shall take effect on the date that is 10 days after the date of the enactment of this Act.

(B) **TERMINATION.**—The fee imposed under paragraph (1)(A)(i), and the reduced fee under paragraph (2), shall terminate on the effective date of the setting or adjustment of the fee under paragraph (1)(A)(i) pursuant to the exercise of the authority under section 10 for the first time with respect to that fee.

Page 102, lines 8 and 9, strike “Except as provided in subsection (h),” and insert “Except as otherwise provided in this section,”.

Page 105, strike lines 1 through 11.

Page 105, add the following after line 25 and redesignate the succeeding subsection accordingly:

“(e) **FRAUD.**—If the Director becomes aware, during the course of a supplemental examination or reexamination proceeding ordered under this section, that a material fraud on the Office may have been committed in connection with the patent that is the subject of the supplemental examination, then in addition to any other actions the Director is authorized to take, including the cancellation

of any claims found to be invalid under section 307 as a result of a reexamination ordered under this section, the Director shall also refer the matter to the Attorney General for such further action as the Attorney General may deem appropriate. Any such referral shall be treated as confidential, shall not be included in the file of the patent, and shall not be disclosed to the public unless the United States charges a person with a criminal offense in connection with such referral.

Page 111, strike lines 13 through 24 and insert the following:

“(c) The marking of a product, in a manner described in subsection (a), with matter relating to a patent that covered that product but has expired is not a violation of this section.”.

Page 112, line 2, strike “any case that is” and insert “all cases, without exception, that are”.

Page 113, line 13, insert “or privy” after “interest”.

Page 114, lines 15 and 16, strike “The petitioner in a transitional proceeding,” and insert the following: “The petitioner in a transitional proceeding that results in a final written decision under section 328(a) of title 35, United States Code, with respect to a claim in a covered business method patent,”.

Page 114, line 22, strike “a claim in a patent” and insert “the claim”.

Page 114, lines 23-25, strike “a transitional proceeding that resulted in a final decision” and insert “that transitional proceeding”.

Page 115, line 18, strike “10-” and insert “8-”.

Page 120, strike line 17 and all that follows through the matter following line 10 on page 121 and redesignate succeeding subsections accordingly.

Page 121, line 17, strike “In any” and insert “With respect to any”.

Page 121, line 22, insert “, or have their actions consolidated for trial,” after “defendants”.

Page 122, line 9, strike “or trial”.

Page 122, line 10, insert “, or have their actions consolidated for trial,” after “defendants”.

Page 122, line 11, strike the quotation marks and second period.

Page 122, insert the following after line 11:

“(c) WAIVER.—A party that is an accused infringer may waive the limitations set forth in this section with respect to that party.”.

Page 126, line 13, strike “patent,” and all that follows through the first appearance of “and” on line 17 and insert “a patent,”.

Page 128, insert the following after line 23 and redesignate the succeeding subsection accordingly:

(k) ADDITIONAL TECHNICAL AMENDMENTS.—Sections 155 and 155A of title 35, United States Code, and the items relating to those sections in the table of sections for chapter 14 of such title, are repealed.

Page 130, strike line 3 and all that follows through page 134, line 17, and insert the following:

SEC. 22. PATENT AND TRADEMARK OFFICE FUNDING.

(a) IN GENERAL.—Section 42(c) of title 35, United States Code, is amended—

(1) by striking “(c)” and inserting “(c)(1)”;

(2) in the first sentence, by striking “shall be available” and inserting “shall, subject to paragraph (3), be available”;

(3) by striking the second sentence; and

(4) by adding at the end the following:

“(2) There is established in the Treasury a Patent and Trademark Fee Reserve Fund. If fee collections by the Patent and Trademark Office for a fiscal year exceed the amount appropriated to the Office for that fiscal year, fees collected in excess of the appropriated amount shall be deposited in the Patent and Trademark Fee Reserve Fund. To the extent and in the amounts provided in appropriations Acts, amounts in the Fund shall be made available until expended only for obligation and expenditure by the Office in accordance with paragraph (3).

“(3)(A) Any fees that are collected under sections 41, 42, and 376, and any surcharges on such fees, may only be used for expenses of the Office relating to the processing of patent applications and for other activities, services, and materials relating to patents and to cover a share of the administrative costs of the Office relating to patents.

“(B) Any fees that are collected under section 31 of the Trademark Act of 1946, and any surcharges on such fees, may only be used for expenses of the Office relating to the processing of trademark registrations and for other activities, services, and materials relating to trademarks and to cover a share of the administrative costs of the Office relating to trademarks.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2011.

Page 137, strike lines 1 through 7 and redesignate the succeeding sections (and conform the table of contents) accordingly.

Page 137, lines 8 and 9, strike “**TECHNOLOGIES IMPORTANT TO AMERICAN COMPETITIVENESS**” and insert “**IMPORTANT TECHNOLOGIES**” (and conform the table of contents accordingly).

Page 138, strike lines 1 through 21 and redesignate succeeding sections (and conform the table of contents) accordingly.

Page 139, insert the following after line 12 and redesignate the succeeding sections (and conform the table of contents) accordingly:

SEC. 27. STUDY ON GENETIC TESTING.

(a) IN GENERAL.—The Director shall conduct a study on effective ways to provide independent, confirming genetic diagnostic test activity where gene patents and exclusive licensing for primary genetic diagnostic tests exist.

(b) ITEMS INCLUDED IN STUDY.—The study shall include an examination of at least the following:

(1) The impact that the current lack of independent second opinion testing has had on the ability to provide the highest level of medical care to patients and recipients of genetic diagnostic testing, and on inhibiting innovation to existing testing and diagnoses.

(2) The effect that providing independent second opinion genetic diagnostic testing would have on the existing patent and license holders of an exclusive genetic test.

(3) The impact that current exclusive licensing and patents on genetic testing activity has on the practice of medicine, including but not limited to: the interpretation of testing results and performance of testing procedures.

(4) The role that cost and insurance coverage have on access to and provision of genetic diagnostic tests.

(c) **CONFIRMING GENETIC DIAGNOSTIC TEST ACTIVITY DEFINED.**—For purposes of this section, the term “confirming genetic diagnostic test activity” means the performance of a genetic diagnostic test, by a genetic diagnostic test provider, on an individual solely for the purpose of providing the individual with an independent confirmation of results obtained from another test provider’s prior performance of the test on the individual.

(d) **REPORT.**—Not later than 9 months after the date of enactment of this Act, the Director shall report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives on the findings of the study and provide recommendations for establishing the availability of such independent confirming genetic diagnostic test activity.

SEC. 28. PATENT OMBUDSMAN PROGRAM FOR SMALL BUSINESS CONCERNS.

Using available resources, the Director shall establish and maintain in the Office a Patent Ombudsman Program. The duties of the Program’s staff shall include providing support and services relating to patent filings to small business concerns and independent inventors.

Page 139, insert the following after line 20 and redesignate the succeeding sections (and conform the table of contents) accordingly:

SEC. 30. LIMITATION ON ISSUANCE OF PATENTS.

(a) **LIMITATION.**—Notwithstanding any other provision of law, no patent may issue on a claim directed to or encompassing a human organism.

(b) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Subsection (a) shall apply to any application for patent that is pending on, or filed on or after, the date of the enactment of this Act.

(2) **PRIOR APPLICATIONS.**—Subsection (a) shall not affect the validity of any patent issued on an application to which paragraph (1) does not apply.

SEC. 31. STUDY OF PATENT LITIGATION.

(a) **GAO STUDY.**—The Comptroller General of the United States shall conduct a study of the consequences of litigation by non-practicing entities, or by patent assertion entities, related to patent claims made under title 35, United States Code, and regulations authorized by that title.

(b) **CONTENTS OF STUDY.**—The study conducted under this section shall include the following:

(1) The annual volume of litigation described in subsection (a) over the 20-year period ending on the date of the enactment of this Act.

(2) The volume of cases comprising such litigation that are found to be without merit after judicial review.

(3) The impacts of such litigation on the time required to resolve patent claims.

(4) The estimated costs, including the estimated cost of defense, associated with such litigation for patent holders, patent licensors, patent licensees, and inventors, and for users of alternate or competing innovations.

(5) The economic impact of such litigation on the economy of the United States, including the impact on inventors, job creation, employers, employees, and consumers.

(6) The benefit to commerce, if any, supplied by non-practicing entities or patent assertion entities that prosecute such litigation.

(c) REPORT TO CONGRESS.—The Comptroller General shall, not later than the date that is 1 year after the date of the enactment of this Act, submit to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a report on the results of the study required under this section, including recommendations for any changes to laws and regulations that will minimize any negative impact of patent litigation that was the subject of such study.

2. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CONYERS, JR. OF MICHIGAN OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 24, strike line 3 and all that follows through page 25, line 12, and insert the following:

(n) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section—

(A) shall take effect 90 days after the date on which the President issues an Executive order containing the President's finding that major patenting authorities have adopted a grace period having substantially the same effect as that contained under the amendments made by this section; and

(B) shall apply to all applications for patent that are filed on or after the effective date under subparagraph (A).

(2) DEFINITIONS.—In this subsection:

(A) MAJOR PATENTING AUTHORITIES.—The term “major patenting authorities” means at least the patenting authorities in Europe and Japan.

(B) GRACE PERIOD.—The term “grace period” means the 1-year period ending on the effective filing date of a claimed invention, during which disclosures of the subject matter by the inventor or a joint inventor, or by others who obtained the subject matter disclosed directly or indirectly from the inventor or a joint inventor, do not qualify as prior art to the claimed invention.

(C) EFFECTIVE FILING DATE.—The term “effective filing date of a claimed invention” means, with respect to a patenting authority in another country, a date equivalent to the effective filing date of a claimed invention as defined in section 100(i) of title 35, United States Code, as added by subsection (a) of this section.

(3) RETENTION OF INTERFERENCE PROCEDURES WITH RESPECT TO APPLICATIONS FILED BEFORE EFFECTIVE DATE.—In the case of any application for patent that is filed before the effective date under paragraph (1)(A), the provisions of law amended by subsections (h) and (i) shall apply to such application as such provisions of law were in effect on the day before such effective date.

Page 11, lines 21–23, strike “upon the expiration of the 18-month period beginning on the date of the enactment of this Act,” and insert “on the effective date provided in subsection (n)”.

3. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE BALDWIN OF WISCONSIN OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike section 5 (“Defense to Infringement Based on Prior Commercial Use”), as amended, and redesignate succeeding sections and references thereto (and conform the table of contents) accordingly.

Page 68, line 9, strike “section 18” and insert “section 17”.

Page 115, line 10, strike “6(f)(2)(A)” and insert “5(f)(2)(A)”.

4. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MOORE OF WISCONSIN OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 139, insert the following after line 12 and redesignate succeeding sections (and conform the table of contents) accordingly:

SEC. 29. ESTABLISHMENT OF METHODS FOR STUDYING THE DIVERSITY OF APPLICANTS.

The Director shall, not later than the end of the 6-month period beginning on the date of the enactment of this Act, establish methods for studying the diversity of patent applicants, including those applicants who are minorities, women, or veterans. The Director shall not use the results of such study to provide any preferential treatment to patent applicants.

5. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE JACKSON LEE OF TEXAS OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 139, insert the following after line 12 and redesignate succeeding sections (and conform the table of contents) accordingly:

SEC. 29. SENSE OF CONGRESS.

It is the sense of Congress that the patent system should promote industries to continue to develop new technologies that spur growth and create jobs across the country which includes protecting the rights of small businesses and inventors from predatory behavior that could result in the cutting off of innovation.

6. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE LUJÁN OF NEW MEXICO OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 135, line 22, strike the period and insert a semicolon.

Page 135, after line 22, insert the following:

(C) shall evaluate and consider the extent to which the purposes of satellite offices listed under subsection (b) will be achieved;

(D) shall consider the availability of scientific and technically knowledgeable personnel in the region from which to draw new patent examiners at minimal recruitment cost; and

(E) shall consider the economic impact to the region.

Page 136, line 9, insert before the semicolon the following: “, including an explanation of how the selected location will achieve the purposes of satellite offices listed under subsection (b) and how the required considerations listed under subsection (c) were met”.

7. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE PETERS OF MICHIGAN OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 139, insert the following after line 12 and redesignate succeeding sections (and conform the table of contents) accordingly:

SEC. 29. USPTO STUDY ON INTERNATIONAL PATENT PROTECTIONS FOR SMALL BUSINESSES.

(a) **STUDY REQUIRED.**—The Director, in consultation with the Secretary of Commerce and the Administrator of the Small Business Administration, shall, using the existing resources of the Office, carry out a study—

(1) to determine how the Office, in coordination with other Federal departments and agencies, can best help small businesses with international patent protection; and

(2) whether, in order to help small businesses pay for the costs of filing, maintaining, and enforcing international patent applications, there should be established either—

(A) a revolving fund loan program to make loans to small businesses to defray the costs of such applications, maintenance, and enforcement and related technical assistance; or

(B) a grant program to defray the costs of such applications, maintenance, and enforcement and related technical assistance.

(b) **REPORT.**—Not later than 120 days after the date of the enactment of this Act, the Director shall issue a report to the Congress containing—

(1) all findings and determinations made in carrying out the study required under subsection (a);

(2) a statement of whether the determination was made that—

(A) a revolving fund loan program described under subsection (a)(2)(A) should be established;

(B) a grant program described under subsection (a)(2)(B) should be established; or

(C) neither such program should be established; and

(3) any legislative recommendations the Director may have developed in carrying out such study.

8. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE POLIS OF COLORADO OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 108, beginning on line 18, strike “pending on, or filed on or after,” and insert “filed on or after”.

9. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE CONYERS, JR. OF MICHIGAN OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Add at the end the following new section (and conform the table of contents accordingly):

SEC. 32. CALCULATION OF 60-DAY PERIOD FOR APPLICATION OF PATENT TERM EXTENSION.

(a) IN GENERAL.—Section 156(d)(1) of title 35, United States Code, is amended by adding at the end the following flush sentence:

“For purposes of determining the date on which a product receives permission under the second sentence of this paragraph, if such permission is transmitted after 4:30 P.M., Eastern Time, on a business day, or is transmitted on a day that is not a business day, the product shall be deemed to receive such permission on the next business day. For purposes of the preceding sentence, the term ‘business day’ means any Monday, Tuesday, Wednesday, Thursday, or Friday, excluding any legal holiday under section 6103 of title 5.”.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to any application for extension of a patent term under section 156 of title 35, United States Code, that is pending on, that is filed after, or as to which a decision regarding the application is subject to judicial review on, the date of the enactment of this Act.

10. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SPEIER OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 16, line 3, insert before the period the following: “, including requiring parties to provide sufficient evidence to prove and rebut a claim of derivation”.

11. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE WATERS OF CALIFORNIA OR HER DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 139, insert the following after line 12 and redesignate succeeding sections (and conform the table of contents) accordingly:

SEC. 29. SEVERABILITY.

If any provision of this Act or amendment made by this Act, or the application of a provision or amendment to any person or circumstance, is held to be unconstitutional, the remainder of this Act and amendments made by this Act, and the application of the provisions and amendment to any person or circumstance, shall not be affected by the holding.

12. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SENSENBRENNER, JR. OF WISCONSIN OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike section 3 (“First Inventor to File”), as amended, beginning on page 5, line 1, and redesignate succeeding sections and references thereto (and conform the table of contents) accordingly.

Page 68, line 9, strike “section 18” and all that follows through “3(n)(1)” on line 11 and insert “section 17 and in paragraph (3), shall apply to any patent for which an application is filed on or after that effective date”.

Page 74, line 3, strike “derivation” and insert “interference”.

Page 74, line 7, strike “derivation” and insert “interference”.

Page 76, line 7, strike “DERIVATION” and insert “INTERFERENCE”.

Page 76, lines 7 and 8, strike “a derivation” and insert “an interference”.

Page 76, lines 12 and 25, strike “derivation” and insert “interference”.

Page 77, line 6, strike “a derivation” and insert “an interference”.

Page 77, line 10, strike “derivation” and insert “interference”.

Page 77, line 23, strike “a derivation” and insert “an interference”.

In section 7 (“Patent Trial and Appeal Board”), as amended, strike subsection (d) (“Conforming Amendments”) and insert the following:

(d) CONFORMING AMENDMENTS.—

(1) AMENDMENTS TO TITLE 35.—Sections 134, 145, 146, 154, and 305 of title 35, United States Code, are each amended by striking “Board of Patent Appeals and Interferences” each place that term appears and inserting “Patent Trial and Appeal Board”.

(2) ATOMIC ENERGY ACT OF 1954.—Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) is amended, in the third undesignated paragraph, by striking “Board of Patent Appeals and Interferences” each place it appears and inserting “Patent Trial and Appeal Board”.

(3) TITLE 51.—Section 20135 of title 51, United States Code, is amended, in subsections (e) and (f), by striking “Board of Patent Appeals and Interferences” each place it appears and inserting “Patent Trial and Appeal Board”.

Page 113, line 20, strike “as in effect” and all that follows through “3(n)(1),” on line 22.

Page 113, line 25, strike “(as in” and all that follows through “date)” on page 114, line 1.

Page 114, line 9, strike “(as in effect” and all that follows through “3(n)(1)” on line 11.

Page 115, line 10, strike “6(f)(2)(A)” and insert “5(f)(2)(A)”.

13. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE MANZULLO OF ILLINOIS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Strike section 10 (beginning on page 81, line 14; “Fee Setting Authority”), as amended, and insert the following (and conform the table of contents accordingly):

SEC. 10. ELECTRONIC FILING INCENTIVE.

(a) IN GENERAL.—An additional fee of \$400 shall be established for each application for an original patent, except for a design, plant, or provisional application, that is not filed by electronic means as prescribed by the Director. The fee established by this subsection shall be reduced by 50 percent for small entities that

qualify for reduced fees under section 41(h)(1) of title 35, United States Code. All fees paid under this subsection shall be deposited in the Treasury as an offsetting receipt that shall not be available for obligation or expenditure.

(b) EFFECTIVE DATE.—This section shall take effect upon the expiration of the 60-day period beginning on the date of the enactment of this Act.

14. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE ROHR-
ABACHER OF CALIFORNIA OR HIS DESIGNEE, DEBATABLE FOR 10
MINUTES

Page 73, after line 2, insert the following new subsection:

(i) INAPPLICABILITY OF POST-GRANT REVIEW TO CERTAIN SMALL
ENTITIES.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a patent granted to a United States citizen, an individually lawfully admitted for permanent residence in the United States, or a United States company with less than 100 employees shall not be subject to any form of post-grant review or re-examination.

(2) RULEMAKING.—The Director shall issue such regulations as may be necessary to carry out this subsection.

15. AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE SCHOCK
OF ILLINOIS OR HIS DESIGNEE, DEBATABLE FOR 10 MINUTES

Page 112, strike line 18 and all that follows through page 118, line 2, and redesignate succeeding sections and references thereto (and conform the table of contents) accordingly.

Page 68, line 9, strike “in section 18 and”.